



SCHOOL BOARD MEETING REPORT

Board Meeting Date: 12/15/2008

Agenda #

Staff/Administrator: Lisa Cross

Superintendent: Dan Huber-Kantola

Type of Item: ☒ Informational ☐ Action

Please state your proposal briefly and clearly. What do you want the board to know, discuss, or decide?

In recent months the news has revealed instability in several financial institutions raising the question, "Are district funds secure?" The following information is provided to inform the board of school district assets and the security of those investments.

Provide history/background information on your proposal.

Approximately 30% or \$3.9 million of the district's funds are housed in bank depositories. The new Oregon Revised Statutes (ORS) Chapter 295 streamlined the collateralization process and created a shared liability structure for the qualified bank depositories. All banks the district does business with are either backed by the FDIC, or guaranteed by the Oregon State Treasury's "Public Fund Collateralization Program". The balance of district funds, \$9.1 million, are maintained in an account in the Oregon Treasury's "Local Government Investment Pool" (LGIP). Amounts in State Treasurer's LGIP are not required to be collateralized, the Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. These funds must be invested, and the investments managed, as a prudent investor would. Additionally, investments are governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. LGIP funds have been categorized as well diversified, liquidity as plentiful, and investment statistics are available upon request.

List the advantages of your proposal:

List possible disadvantages of your proposal:

List possible alternatives that could also offer a solution to your proposal. Why were they not recommended?

Superintendent's recommendation(s):

Approve: Yes ☐ No ☐